

## ALLOW DISPENSING MACHINES TO DISPENSE ALCOHOL UNDER CERTAIN CONDITIONS

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<http://www.house.mi.gov/hfa>

**House Bill 5304 as introduced**  
**Sponsor: Rep. Rodney Wakeman**  
**Committee: Regulatory Reform**  
**Complete to 10-19-21**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5304 would amend the Michigan Liquor Control Code to allow most retailers who hold an on-premises liquor license and certain manufacturers with a tasting room permit to allow a machine that dispenses beer, wine, or mixed spirit drink to a customer on the licensed premises if certain conditions are met.

More specifically, the bill would add a new section to the Michigan Liquor Control Code to first prohibit an *on-premises licensee* from allowing a machine that dispenses alcohol directly to a customer on the licensed premises and then establish exemptions from that prohibition. The prohibition on allowing a machine that dispenses alcohol directly to a customer would not apply to the following:

- A dispensing machine located in a bedroom or suite of a hotel of a class A or class B hotel licensee.
- A dispensing machine located at an on-premises licensed establishment if all of the following conditions are met:
  - The dispensing machine is located at a customer's table or booth.
  - No more than 96 ounces of beer, wine, or mixed spirit drink is dispensed in a single order.
  - Spirits are not dispensed.
  - The customer orders the beer, wine, or mixed spirit drink from a clerk, servant, agent, or employee of the licensee.
  - The licensee does not sell, offer to sell, or advertise the sale of an unlimited quantity of beer, wine, or mixed spirit drink from the dispensing machine.
  - The sale, service, and consumption of the dispensed alcohol is monitored by the licensee or the licensee's clerk, servant, agent, or employee to ensure compliance with the code and rules promulgated under it.
- A dispensing machine located at an on-premises licensed establishment if all of the following conditions are met:
  - The dispensing machine is not located at a customer's booth or table.
  - The customer activates the dispensing machine with a secure key card supplied by the licensee or the licensee's clerk, servant, agent, or employee.
  - The secure key card is attached to the customer at all times, through a necklace or bracelet or other means of securing it to the customer.
  - No more than 16 ounces of beer, 12 ounces of wine, or 12 ounces of mixed spirit drink is dispensed before the secure key card is reactivated.
  - Spirits are not dispensed from the machine.
  - The sale, service, and consumption of the dispensed alcohol is monitored by the licensee or the licensee's clerk, servant, agent, or employee to ensure compliance with the code and departmental rules promulgated under it.

***On-premises licensee*** would mean either of the following:

- A retailer that holds a license, other than a special license, to sell alcohol for consumption on the licensed premises.
- A manufacturer with an on-premises tasting room permit, off-premises tasting room permit, or joint off-premises tasting room license issued under section 536 of the code.

Under section 537 of the code, retailers that hold a license to sell alcohol for consumption on the licensed premises include, but are not limited to, the following:

- Taverns.
- Class C (e.g., restaurants).
- Clubs: sale only to bona fide members at least 21 years of age.
- Class A and class B hotels.
- Brewpubs.
- Class G-1 or G-2 (golf courses).
- Motorsports event licensees.
- Certain manufacturers (e.g., a small wine maker, brandy manufacturer, or mixed spirit manufacturer) in an approved tasting room.

Proposed MCL 436.1552

**FISCAL IMPACT:**

House Bill 5304 would not have an appreciable fiscal impact on any unit of state or local government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.